

THOMAS R. CARPER, DELAWARE, CHAIRMAN

CARL LEVIN, MICHIGAN
MARK L. PRYOR, ARKANSAS
MARY L. LANDRIEU, LOUISIANA
CLAIRE McCASKILL, MISSOURI
JON TESTER, MONTANA
MARK BEGICH, ALASKA
TAMMY BALDWIN, WISCONSIN
HEIDI HEITKAMP, NORTH DAKOTA

TOM COBURN, OKLAHOMA
JOHN McCAIN, ARIZONA
RON JOHNSON, WISCONSIN
ROB PORTMAN, OHIO
RAND PAUL, KENTUCKY
MICHAEL B. ENZI, WYOMING
KELLY AYOTTE, NEW HAMPSHIRE

United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

RICHARD J. KESSLER, STAFF DIRECTOR
KEITH B. ASHDOWN, MINORITY STAFF DIRECTOR

March 21, 2013

The Honorable Mickey D. Barnett
Chairman, USPS Board of Governors
U.S. Postal Service Board of Governors
United States Postal Service
475 L'Enfant Plaza SW RM 10300
Washington D.C. 20260-1000

Chairman Barnett:

We appreciate your service to the country as you work to place the United States Postal Service on a path to long-term fiscal prosperity. We write to encourage you to continue doing everything in your power to strengthen the Postal Service.

As you are well aware, the Postal Service currently faces an uncertain future as it struggles to cope with the diminishing demand for paper-based communication. In fiscal year 2012 alone, the Postal Service lost \$15.9 billion and reached its federal borrowing limit of \$15 billion. The Postal Service has also defaulted on \$11.1 billion in payments due to the U.S. Treasury to fund already accrued retiree health care liability. Mail volume is now off more than 25 percent from its fiscal year 2006 peak, and further declines are projected for the foreseeable future. Without major, immediate restructuring actions, annual operating deficits will increase, and the Postal Service will sink much deeper into default on payments owed to taxpayers.

We were therefore pleased when Postmaster General Patrick Donahoe announced plans to transition to modified 6-day delivery on August 5th of this year. This commonsense reform would save the Postal Service more than two billion annually. This change also garners widespread, bi-partisan support. For example, President Obama has repeatedly called for moving to 5-day delivery of mail, most recently in his fiscal year 2013 budget. Furthermore, according to an October 2011 Quinnipiac poll, fully 79 percent of Americans endorse the shift.

With the Obama Administration not requesting its removal, the fiscal year 2013 continuing resolution approved by Congress includes authorizing language preserving an appropriations rider that ties 6-day mail delivery to the acceptance of roughly \$100 million in reimbursement from the federal government for services rendered by the Postal Service.

As members tasked with the responsibility of postal authorization, we continue to support the position the Postal Service has articulated that preservation of this appropriations rider does not prevent the planned implementation of a modified 6-day mail delivery schedule. As proposed, the Postal Service is not eliminating a day of service, but is merely altering what

products are delivered on what day to maintain a sustainable level of service. As the Postal Service made clear in its announcement, "...mail delivery to street addresses will occur Monday through Friday. Packages and priority mail will continue to be delivered six days per week. Mail addressed to P.O. Boxes would continue to be delivered on Saturdays. Post Offices currently open on Saturdays will remain open on Saturdays."

What's more, we believe that the Board of Governors has a fiduciary responsibility to utilize its legal authority to implement modified 6-day mail delivery as recently proposed. The deficits incurred by the Postal Service and the low level of liquidity under which it is operating leaves it in a perilous position; one that demands implementation of all corrective actions possible.

We look forward to working with you and other members of the USPS Board of Governors to ensure a smooth transition to modified 6-day delivery this August.

Sincerely,



Darrell E. Issa
Chairman
House Committee on Oversight
And Government Reform



Tom A. Coburn, M.D.
Ranking Member
Senate Committee on Homeland
Security and Governmental Affairs

Cc:

The Honorable Elijah E. Cummings, Ranking Minority Member, House Committee on Oversight and Government Reform

The Honorable Tom Carper, Chairman, Senate Committee on Homeland Security and Governmental Affairs